



Legislative Department Seattle City Council Memorandum

Date: May 2, 2014

To: Planning, Land Use, and Sustainability (PLUS) Committee

From: Sara Belz, Council Central Staff

Subject: **Clerk File (CF) 312670:** Application of Lee Wan Properties LLC for a contract rezone of approximately 17,290 square feet of land located at 1321 N. 45th Street from Lowrise 3-Residential Commercial (LR3 RC) to Neighborhood Commercial 2 with a 40 foot height limit (NC2-40) to construct a mixed-use structure with 7,200 square feet of retail space and 150 residential units. (DPD Project Number 3014098 / Type IV)

Note: If the PLUS Committee ultimately votes to grant this rezone, the title of CF 312670 will need to be amended as shown on p.5 of this memorandum.

On May 6, 2014, the PLUS Committee will have its second opportunity to discuss the proposed contract rezone of property located at 1321 N. 45th Street. The Committee previously discussed the matter at its April 18 meeting.

Overview

Lee Wan Properties LLC (the “Applicant”) has proposed a contract rezone of a 17,290 square foot site located at 1321 N. 45th Street from LR3 RC to NC2P-40. The site is located in the Wallingford Residential Urban Village. The four parcels that comprise the rezone area front onto N. 45th Street and are part of a larger, nine-parcel development site that is bounded by N. 45th Street to the north, N. Allen Place to the south, Interlake Avenue N. to the east, and another property to the west. The rezone area covers nearly half of the full development site, which encompasses about 34,790 square feet of land. The five parcels that are part of the larger development site but not included in the rezone area are already zoned NC2-40. A map of the rezone area is attached to this memorandum.

Development Proposal

The rezone proposal, which identifies this matter as a contract rezone, includes specific development plans for the site. The plans call for the construction of a four- and five-story mixed-use structure containing 158 residential units, 6,110 square feet of ground-level retail, and below-grade parking for approximately 154 vehicles. The project would encompass the full nine-parcel development site and not just the four parcels that are the subject of the rezone proposal. The entry to the below-grade garage would be located on N. Allen Place. The main residential entry would be located on Interlake Avenue N. Entries to the retail spaces would face N. 45th Street. Proposed streetscape improvements include the installation of landscaping, public art, bicycle racks, and benches.

Type of Action

Because this rezone is site-specific, the matter is considered quasi-judicial under the Seattle Municipal Code. Quasi-judicial rezones are subject to the Appearance of Fairness Doctrine, which prohibits ex-parte communication. Council decisions on quasi-judicial rezones must be based on the record established by the Hearing Examiner. The content of the record includes, but is not limited to, DPD's analysis and recommendation, the State Environmental Policy Act (SEPA) checklist for the proposal, maps and photographs of the rezone area, the rezone application, technical documents pertaining to the proposed development project, and other materials.

The Record

The entire Hearing Examiner's record is kept in my office and available for review at Councilmembers' convenience. The following selected documents and exhibits from the record are attached to the May 6 PLUS Committee agenda along with this memorandum.

- Hearing Examiner's recommendation;
- DPD's recommendation; and
- Images depicting the rezone site and proposed development project.

Existing Conditions

Existing development on the full nine-parcel development site includes eight single family homes and a two-story brick mixed-use apartment and office building. All would be demolished under the Applicant's development proposal for the site. Staff from the Historic Preservation Program in the Department of Neighborhoods completed a review of the structures and determined it unlikely that any would meet the standards for landmark designation. The Hearing Examiner's record also indicates that five or six of the tenant households residing on the full development site were deemed eligible to receive \$3,002 each in relocation assistance under the City's Tenant Relocation Assistance Ordinance.

The properties that surround the rezone area include small retail, restaurant, and community uses to the north along N. 45th Street; a surface parking lot and office building to the west; the former Lincoln High School site to the southeast; and the University House senior residential community to the south. Although much of the commercial corridor that extends along N. 45th Street in Wallingford is zoned NC2P-40, the properties that comprise the rezone area are located in a node of LR3 RC zoning that is centered on the intersection of N. 45th Street and Interlake Avenue N.

Environmental Review

The topography of the rezone area is gently sloping and there are no environmental critical areas on or adjacent to the site. The Department of Planning and Development (DPD) reviewed the proposed rezone pursuant to SEPA and issued a Determination of Non-Significance (DNS) on December 5, 2013. The DNS and the project's Design Review approval were appealed to the Hearing Examiner by residents of University House. The Hearing Examiner held an appeal hearing on January 17, 2014, and issued a decision affirming the DPD's decisions on February 10.

Public Comment

Public comments on the proposed rezone and development project were submitted to DPD and the Hearing Examiner and collected during the Design Review process. In particular, residents of University House have submitted comments expressing concern about the height, bulk, and scale of the proposed development project; potential traffic impacts; proposed building setbacks and landscape designs; and siting the entrance to the proposed 154-space underground garage on N. Allen Place. Although the site where the proposed new building would be constructed is located directly across N. Allen Place from University House, that portion of the development site is already zoned NC2-40 and would not be rezoned under the proposal that is currently before the PLUS Committee.

DPD and Hearing Examiner Recommendations

Both DPD and the Hearing Examiner recommended approval of the proposed rezone subject to conditions, including the execution of a Property Use and Development Agreement (PUDA) that would require the proposed development project to be in substantial conformance with the approved plans for Master Use Permit (MUP) No. 3014098. The Design Review and SEPA conditions included in the DPD Director's MUP decision are listed on pp. 49-51 of DPD's report on and pp. 7-8 of Hearing Examiner's recommendation. The Hearing Examiner's recommendation on the rezone was not appealed.

The Hearing Examiner's Findings and Recommendation, dated February 10, 2014, drew the following conclusions based on testimony at the open record hearing, submitted exhibits, and DPD's analysis:

- Match between zone criteria and area characteristics: The rezone site is located within a business district in an urban village and faces onto a minor arterial that is already predominately zoned NC2P-40; thus, the site best matches the criteria for NC2 and would also meet the criteria for a P designation.
- Neighborhood plans: The proposed rezone is consistent with several goals and policies in the Wallingford Neighborhood Plan. DPD's analysis, which informed the Hearing Examiner's conclusions, cited goals and policies from the Wallingford Neighborhood Plan that seek to maintain and promote a vital business district within the neighborhood, encourage the development of housing that serves a range of incomes, and create streets and sidewalks that are safe and pleasant public spaces. The Wallingford Neighborhood Plan does not include policies expressly adopted to guide future rezones and does not specifically address the rezone site.
- Height limit and views: The current 40 foot height limit on the rezone site would not change if the rezone is granted. Additionally, most of the properties that surround the rezone area are also currently subject to a 40 foot height limit. The proposed project is also consistent with the height, bulk, and scale of several nearby buildings, including the office building located immediately to the west, University House to the south, and Lincoln High School to the southeast.

- Transportation impacts: The amount of new vehicle traffic generated by the proposed project is not expected to further degrade the functionality of nearby intersections. The residential parking demand generated by the proposed project would be met by the underground parking garage that would be constructed on-site. Available on-street parking capacity could meet the parking demand associated with the commercial spaces that would be developed along N. 45th Street. Additionally, transit service is currently provided along both N. 45th Street and Stone Way.

With regard to traffic impacts associated with vehicle ingress/egress from the proposed 154-space underground garage that would be accessed from N. Allen Place, the traffic analysis completed for the project indicates that locating the garage entrance on N. Allen Place would create fewer conflicts with other vehicles and pedestrians than would an entrance on Interlake Avenue N. Interlake Avenue N is located on the only other street-facing side of the proposed development site that would not be subject to a Pedestrian designation.

- Utility impacts: Seattle City Light and Seattle Public Utilities have indicated that existing electrical, sewer, and storm water capacities in the vicinity of the rezone site are sufficient to serve the proposed development project.
- Precedential effects: Although much of the N. 45th Street corridor in Wallingford is already zoned NC2, other LR-zoned properties are located near the rezone site around the intersection of N. 45th Street and Interlake Avenue N and, to the southeast, along the east side of Interlake Avenue N. It is possible this rezone could encourage the owners of those LR-zoned properties to pursue additional rezones in the future.

CB 118082 and CF 312670

In the event the PLUS Committee would like to take action on the proposed rezone at its May 6 meeting, I have prepared the following documents, in consultation with the Law Department, for Committee members' review: CB 118082, a PUDA, and a Council Findings, Conclusions, and Decision (FC&D) for CF 312670.

CB 118082

CB 118082 would amend the Official Land Use Map to reflect the proposed change in zone designation at 1321 N. 45th Street from LR RC to NC2P-40. It would also accept a PUDA that would place conditions on the rezone. The rezone conditions included in the PUDA are copied below. They were adapted from DPD's and the Hearing Examiner's reports.

Approval of this rezone requires the development of the proposed project to be in substantial conformance with the approved plans for Department of Planning and Development Master Use Permit No. 3014098, dated December 6, 2013, and with all other requirements and conditions of that permit.

Staff recommends approval of CB 118082.

CF 312670 (Proposed Council FC&D)

CF 312670 contains the content of the record established by the Hearing Examiner and a proposed Council FC&D. The proposed Council FC&D would adopt the Hearing Examiner's findings and conclusions and grant the proposed rezone. A copy of the proposed Council FC&D (labeled "DRAFT") is attached to the May 6 PLUS Committee agenda.

The PLUS Committee is also requested to amend the title of CF 312670, as shown below in underline and strikethrough, to make it consistent with the content of the rezone application and the title of CB 118082:

Application of Lee Wan Properties LLC for approval of a contract rezone of approximately 17,290 square feet of property ~~addressed~~ at 1321 N. 45th Street from ~~Low Rise 3 with a~~ Lowrise 3 Residential Commercial overlay zone (LR3-RC) to Neighborhood Commercial 2 Pedestrian with a 40 foot height limit (NC2-40) for future construction of a building with 158 residential units, 6,110 square feet of commercial space, and below-grade parking for approximately 154 vehicles, ~~to construct a mixed use structure with 7,200 square feet of retail and 150 residential units~~ (Project No. 3014098, Type IV).

Staff recommends approval of the proposed Council FC&D and amending the title of CF 312670 as described above.

Next Steps

A Committee recommendation on May 6 will enable a Full Council vote on both CB 118082 and CF 312670 on May 12. If the Committee does not take action on the rezone on May 6, its next opportunity to discuss the matter will be on May 20.

Rezone Map for 1321 N. 45th Street

